DEVELOPMENT SECRETARIAT.

Rules under the Notification for the sale of the Right of Collecting Tolls.

READ—

Rule 17 of the Notification for the sale of the Right of Collecting Tolls appended to Government Order No. R. 8729-40—R. M. 9-27-53, dated 15th May 1928, passing orders on the report of the Toll-gates Committee appointed to review certain arrangements previously ordered in the matter of toll-gates on State Fund Roads,

2. Letter No. A. 3-2749—29-30, dated 13th June 1930, from the Deputy Commissioner, Tumkur District, proposing that Sub-Division Officers may be empowered under Rule 17 of the Notification referred to above to punish the contractor or his servants for the breach of any of the rules so that there might be more constant supervision and a better check over the contractors.

3. Correspondence ending with letter No. C. 98—30-31, dated 21st—23rd July 1930, from the Revenue Commissioner in Mysore, furnishing his opinion in the matter.

ORDER NO. R. 984-95—R. M. 5-29-41, DATED 11TH AUGUST 1930.

The following sentence will be appended to the existing Rule 17 as a note:—

NOTE.—"Sub-Division Officers are also empowered to punish the contractor or his servants for any breach of the above conditions or rules, either by the levy of fine or by a forfeiture of the deposit. But the power to suspend the collection of toll as well as the right to order its resale, shall be reserved to the Deputy Commissioner."

B. NARAYANASWAMI IYENGAR,
Offg. *Secretary to Government,*
Development Departments.

Loans for Encouragement of Rural and Cottage Industries

READ—

Government Order No. 6604-53—I & C 89-16-2, dated 16th February 1917 sanctioning a scheme temporarily for a period of two years, for the grant of loans for the encouragements of minor industries, chiefly cottage and rural,

2. Opinions furnished by the Deputy Commissioners of Districts as to the desirability of reviving the grant of loans for the encouragement of rural and cottage industries.

3. Resolution of the Board of Industries and Commerce recommending the revival of the scheme for the grant of loans to rural and cottage industries, forwarded with letter No. 934 dated 10th June 1930 from the Secretary, Board of Industries and Commerce.

ORDER NO. D. 1601-20—I & C 292-27-15, DATED 7TH AUGUST 1930.

The question of providing facilities for the development of minor industries, chiefly cottage and rural, has been under the consideration of Government for some time past. A scheme to furnish local officers with the means for rendering special assistance for the development of such industries was sanctioned by Government in 1917 and was in force for a period of two years.

All the Deputy Commissioners of Districts who were consulted are of the opinion that it is very necessary and desirable that the scheme should be revived. The subject was also considered by the Board of Industries and Commerce who have recommended the revival of the scheme and the annual provision of Rs. 16,000 at the rate of Rs. 2,000 for each District, for the grant of financial assistance for the development of such industries.

Government are accordingly pleased to sanction the revival of the scheme for the grant of small loans for the encouragement of rural and cottage industries. A set of rules for administering the loans is appended to this order.

A sum of Rs. 16,000 is sanctioned for the grant of loans during the current year at the rate of Rs. 2,000 for each District. A demand for an additional grant of Rs. 16,000 under "25 Economic Development" will be placed before the Legislative Council at its next Session.

N. RAMA RAO,
Secretary to Government,
Development Departments.

RULES FOR THE GRANT OF SMALL LOANS FOR THE ENCOURAGEMENT OF RURAL AND COTTAGE INDUSTRIES IN THE STATE.

1. *Object.*—In order to develop small industries loans not exceeding Rs. 500 in each case may be granted under these rules for any or all the purposes specified below:—

(1) The purchase of raw material.
(2) The purchase of tools and machinery.
(3) In special cases, for employing instructors, for the payment of wages, for the erection of small buildings and for other purposes legitimately connected with small industries.

2. *Sanctioning Authority.*—The District Economic Superintendent will be competent anction loans up to Rs. 100 in each case; loans exceeding Rs. 100 will be sanctioned e Deputy Commissioner (as President of the District Committee).

Interest.—Simple interest at 6¼ per cent per annum shall be charged from the isbursement of the loan.

e of Recovery of Loans and the time allowed for Repayment.—The time ayment of the loans and the amount of each instalment shall be fixed by officer but such time shall not exceed three years from the date of disburse- Nothing in this rule shall be taken to preclude a borrower from dis- an at an earlier period or from paying a larger amount than the annual

Security.—No loan shall be granted unless the value of the security offered uld ordinarily be in the form of immovable property, exceeds the amount of the least 25 per cent. Loans not exceeding Rs. 100 may however be granted for a exceeding a year, on approved personal security, under the orders of the mmissioner.

Recovery of Loans.—All loans granted under these rules shall be recoverable as land revenue and a stipulation to this effect shall be inserted in every agree- ecuted by the borrower.

Mode of Application and Enquiry.—An application for a loan may be made in g to the District Economic Superintendent who shall make needful local enquiries gards the soundness of the business, the solvency of the party and his ability to y it as agreed.

8. *Registers and Accounts.*—The District Economic Superintendent shall keep a gister of all loans and repayments under these rules. The Register should clearly show he stage in which each transaction stands at any particular time.

9. A monthly report should be furnished to the District Economic Superintendent by the recipient of the loan as to the utilisation of the loan and the progress of the industry in respect of which it was advanced and it will be open to the District Economic Superintendent to inspect the work at any time. This condition should be incorporated in the agreement.

10. The District Economic Superintendent shall furnish to the District Boards concerned monthly statements of loans sanctioned under these rules, with a view to keep them informed of the applicants whose needs have already been met, as some of the District Boards also afford financial assistance of this kind.

11. For all matters not referred to in the above, the provision in the rules framed of the Land Improvement Loans Regulation and Section 194 of the enue Code as amended from time to time should be followed *mutatis*

loans sanctioned under these rules and recoveries effected in each Deputy Commissioner at the end of each quarter to the will forward a consolidated quarterly statement with nomic Conference.